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HOUSE BILL 449

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Janice E. Arnold-Jones

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE INFORMATION TECHNOLOGY STUDENT LOAN FOR SERVICE ACT; CREATING THE INFORMATION TECHNOLOGY STUDENT LOAN FOR SERVICE FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Information Technology Student Loan for Service Act".

Section 2. DEFINITIONS.--As used in the Information Technology Student Loan for Service Act:

A. "department" means the higher education department;

B. "information technology program" means a postgraduate program of information technology education of an institution that grants postgraduate certificates or diplomas

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1 in information technology and that is approved by the
2 department;

3 C. "student" means a resident of New Mexico who is
4 a student enrolled in an information technology program; and

5 D. "student loan" means a grant of funds to defray
6 the costs incidental to attending an information technology
7 program, under a contract between the department and a student,
8 requiring either repayment with interest or repayment in
9 services.

10 Section 3. INFORMATION TECHNOLOGY STUDENT LOANS--
11 DEPARTMENT AUTHORIZED--QUALIFICATIONS.--The department:

12 A. may grant a student loan to defray the expenses
13 of an information technology program to a student deemed
14 qualified by the department to enter the information technology
15 program, upon such terms and conditions as may be imposed by
16 rules of the department;

17 B. shall only receive, pass upon and allow or
18 disallow applications for student loans made by students who
19 are enrolled in or accepted by information technology programs
20 and who agree to work in New Mexico state government
21 information technology jobs for a designated period after
22 graduation; and

23 C. shall make a full and careful investigation of
24 the ability, character and qualifications of each applicant and
25 determine whether the applicant is qualified to receive a

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1 student loan. The investigation of each applicant shall
2 include consideration of the applicant's ability
3 to pay the expenses of an information technology program, with
4 preference given to qualified applicants who are unable to pay.

5 Section 4. DELEGATION OF DUTIES TO OTHER AGENCIES.--The
6 department may arrange with other agencies for the performance
7 of services required by the provisions of the Information
8 Technology Student Loan for Service Act.

9 Section 5. INFORMATION TECHNOLOGY STUDENT LOANS--CONTRACT
10 TERMS--REPAYMENT.--

11 A. Each applicant who is approved for a student
12 loan by the department may be granted a student loan, in such
13 amounts and for such periods as determined by the department,
14 if the applicant files with the department a declaration of
15 intent to work in a New Mexico state government information
16 technology job for a designated period after graduation.

17 B. A student loan shall not exceed the necessary
18 costs incurred while attending an information technology
19 program.

20 C. A student loan shall be evidenced by a contract
21 between the student and the department acting on behalf of the
22 state. The contract shall provide for the payment by the state
23 of a stated sum and shall be conditioned on an agreement by the
24 student for one year of work in a New Mexico state government
25 information technoloy job for each year of the loan.

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1 D. A student loan made to a student who fails to
2 complete the information technology program shall become due,
3 together with interest of seven percent calculated from the
4 date of disbursement of funds, immediately upon termination of
5 the student's participation in the information technology
6 program. The department, in consultation with the student,
7 shall establish terms of repayment, alternate service or
8 cancellation terms.

9 E. A student loan contract shall provide that the
10 department shall forgive a portion of the loan principal for
11 each year that the student loan recipient works in a New Mexico
12 state government information technology job. The loan
13 principal shall be forgiven as follows:

14 (1) loan terms of one year shall require one
15 year of work in a New Mexico state government information
16 technology job. Upon completion of service, one hundred
17 percent of the principal shall be forgiven; and

18 (2) loan terms of two years shall require one
19 year of work in a New Mexico state government information
20 technology job for each year of the loan. Upon completion of
21 the first year of service, fifty percent of the principal shall
22 be forgiven. Upon completion of the second year of service,
23 the remainder of the principal plus accrued interest shall be
24 forgiven.

25 F. A student loan recipient shall serve a complete

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1 year in order to receive credit for that year. The minimum
2 credit for a year shall be established by the department.

3 G. If a student loan recipient completes an
4 information technology program and does not complete service in
5 a New Mexico state government information technology job after
6 graduation, the department shall assess a penalty of up to
7 three times the principal due, plus eighteen percent interest,
8 calculated from the date of disbursement of funds, unless the
9 department finds acceptable extenuating circumstances for why
10 the student loan recipient cannot serve. If the department
11 does not find acceptable extenuating circumstances for the
12 student loan recipient's failure to carry out the declared
13 intent to serve, the department shall require immediate
14 repayment of the unpaid principal amount of the student loan
15 plus accrued interest owed the state plus the amount of any
16 penalty assessed pursuant to this subsection.

17 H. The department shall adopt rules to implement
18 the provisions of this section. The rules may provide for the
19 repayment of student loans in annual or other periodic
20 installments.

21 Section 6. CONTRACTS--LEGAL ASSISTANCE--ENFORCEMENT.--
22 The general form of the contract provided for in Section 5 of
23 the Information Technology Student Loan for Service Act shall
24 be prepared and approved by the attorney general and signed by
25 the student and a designee of the department on behalf of the

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1 state. The department is vested with full and complete
2 authority and power to sue in its own name for any balance due
3 the state from any student on any such contract.

4 Section 7. FUND CREATED--METHOD OF PAYMENT.--There is
5 created in the state treasury the "information technology
6 student loan for service fund". Money in the fund is
7 appropriated to the department to carry out the purposes of
8 the Information Technology Student Loan for Service Act and
9 shall not revert. Appropriations to the fund by the
10 legislature and all payments of principal and interest on
11 student loans made pursuant to the Information Technology
12 Student Loan for Service Act received by the department shall
13 be deposited with the state treasurer to the credit of the
14 fund. All payments of funds for student loans shall be made on
15 warrants drawn by the secretary of finance and administration
16 upon vouchers signed by the designated representative of the
17 department.

18 Section 8. CANCELLATION.--The department is authorized
19 to cancel a student loan for service contract made between it
20 and a student for any reasonable cause deemed sufficient by the
21 department.

22 Section 9. REPORTS.--The department shall make annual
23 reports to the governor and to the legislature, prior to each
24 regular session, of its activities, the student loans granted,
25 the names and addresses of students to whom the loans were

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1 granted and the schools or colleges attended by the students
2 receiving the loans, together with a list of the names and job
3 sites of those students who have completed their information
4 technology programs as a result of a student loan pursuant to
5 the Information Technology Student Loan for Service Act.

6 Section 10. APPROPRIATION.--Eighty thousand dollars
7 (\$80,000) is appropriated from the general fund to the
8 information technology student loan for service fund for
9 expenditure in fiscal year 2007 and subsequent fiscal years for
10 information technology student loans pursuant to the
11 Information Technology Student Loan for Service Act. Any
12 unexpended or unencumbered balance remaining at the end of a
13 fiscal year shall not revert to the general fund.